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FISCAL IMPACT STATEMENT

LS 6656

BILL NUMBER: SB 189

NOTE PREPARED: Feb 5, 2013

BILL AMENDED: Feb 4, 2013

SUBJECT: Performance-Qualified School Districts.

FIRST AUTHOR: Sen. Delph

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State and Local

Summary of Legislation: This bill establishes performance-qualified school districts to provide flexibility in administration and instruction to school corporations that meet certain performance criteria. It provides that a performance-qualified school district is exempt from certain education statutes, rules, and guidelines applicable to school boards or school corporations. The bill sets forth the performance criteria that must be met and the statutes, rules, and guidelines with which a performance-qualified school district must continue to comply.

Effective Date: July 1, 2013.

Explanation of State Expenditures: The Department of Education (DOE) is required to establish the data elements for determining if a school corporation is a performance-qualified school district. To qualify, the school corporation must demonstrate that their curriculum and instruction create a high level of academic performance by showing that their students graduate achieving the following:

- (1) At least 25% of the students graduating each year: (a) earn a grade of 3, 4, or 5 on at least one Advanced Placement examination, (b) graduate with an academic honors diploma, or (c) graduate with a technical honors diploma.
- (2) The school corporation has a graduation rate of at least 90%.
- (3) Other data elements the DOE determines are appropriate.
- (4) Be placed in the highest performance category or designation by the DOE under its school improvement assessment.

The school corporation is certified as a performance-qualified school district for a four-year period. During that period the district must have at least an 85% passing score per school on ISTEP tests or end-of-course assessments and an 85% pass rate in the required reading assessment for 3rd graders. The DOE must conduct a status review of a district's performance at the end of the third year following certification. If the district continues to meet the performance criteria and benchmarks described above, it must be recertified for an additional four-year period. If not, the district must receive a temporary recertification for the fourth year. If, after the fourth year, the district does not meet the performance criteria and benchmarks, the DOE must remove the school corporation's certification as a district.

Depending on the number of school corporations that apply for performance-qualified status, the DOE should be able to administer this program within its existing resources.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill could potentially reduce school administrative costs and program costs in school corporations certified as performance-qualified school districts. The extent of these savings is unknown.

(Revised) A school corporation that is certified as a performance-qualified school district would be required to provide 54,000 minutes of instruction per year for Grades 1 through 6 and 64,800 minutes of instruction for Grades 7 through 12. The districts would not be required to have at least 180 student instructional days per year. The school does have to provide at least the same number of minutes of instructional time as was provided the five previous school years. A school corporation that is certified as a performance-qualified school district also would be exempt from the following statutes of Title 20 of the Indiana Code and rules and guidelines of the State Board of Education adopted under the statutes.

1. Provisions that do not apply to school corporations in general.
2. Programs administered by the state except for educational service centers and annual performance reports.
3. School teachers, except for:
 - a. Conviction of certain felonies; notice and hearing; permanent revocation of license; data base of school employees who have been reported.
 - b. Teacher contracts.
 - c. Cancellation of teacher contracts.
 - d. Contracts with school administrators.
 - e. Teacher salary and related payments.
 - f. Conditions of employment.
4. Curriculum except for:
 - a. Patriotic commemorative observances.
 - b. Personal financial responsibility instruction.
5. Student standards except for:
 - a. Graduation requirements.
 - b. Indiana Statewide Testing for Educational Progress (ISTEP).
 - c. Remediation.
6. High-Ability Students.
7. Career and Technical Education.

A school corporation that is certified as a performance-qualified school district would be subject to the following statutes in Title 20 of the Indiana Code and rules and guidelines of the State Board of Education adopted under the statutes.

1. Educational Service Centers.
2. School Corporation annual performance reports
3. Organization of school corporations.
4. School corporation general administrative provisions.
5. School transportation.
6. Conviction of certain felonies; permanent revocation of license.
7. Teacher contracts.
8. Cancellation of teacher contracts.
9. Contracts with school administrators.
10. Teacher salary and related payments.
11. Conditions of employment.
12. Collective bargaining for teachers.
13. Patriotic commemorative observances.
14. Personal financial responsibility.
15. Accountability for school performance and improvement.
16. Accreditation, assessment, and remediation.
17. Students, general provisions.
18. Health and safety measures.
19. Special education.
20. Accounting procedures.
21. Government funds and accounts.
22. Extracurricular funds and accounts.
23. Allocation of expenditures to student instruction.
24. State tuition support.
25. Property tax levies.
26. General fund levies.
27. Levies other than general fund.
28. Related entities, holding companies, lease agreements.
29. Borrowing and bonds.
30. State management of common school funds; state advances and loans.
31. Homeless children and foster care children.

Explanation of Local Revenues:

State Agencies Affected: Department of Education.

Local Agencies Affected: Local schools.

Information Sources:

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